

For Immediate Release

22 October 2024

Hunting PLC

("Hunting" or "the Company" or "the Group")

Q3 2024 Trading Update and New 300 million of Borrowing Facilities

Hunting PLC (LSE: HTG), the global precision engineering group, today announces its Q3 2024 Trading Update and the securing of 300 million of new borrowing facilities.

Q3 Summary

- Group EBITDA of c. 87 million in the year to 30 September - up 16% year-on-year.
- Group EBITDA margin of c.12% recorded.
- c. 652 million sales order book at 30 September 2024, supported by OCTG and Organic Oil Recovery ("OOR") contracts, as previously announced.
- Total cash and bank / (borrowings)¹ of c. 4.6 million at quarter-end reflects strong receivables collections in the period.
- Commencement of shipments of OCTG threaded with Hunting's SEAL-LOCK™ premium connection technology to Kuwait Oil Company ("KOC").
- OCTG, Advanced Manufacturing and Subsea product lines report an in-line performance.
- Ongoing subdued US onshore market and low natural gas pricing have led to trading within the Hunting Titan operating segment (Perforating Systems product group) being at break-even during the quarter. Cost cutting initiatives are being planned to further right-size the Titan business to prevailing market conditions.

Cash, Liquidity and New Borrowing Facilities

- Since Q2 2024, the Company has completed a process to refinance its borrowing facility, with a strategy to replace the Asset Based Lending ("ABL") facility with an earnings-based facility to increase liquidity and flexibility to drive growth.
- This concluded on 16 October 2024 with 300 million of new committed borrowing facilities being agreed within an expanded lending group and comprises a 200 million revolving credit facility and a 100 million term loan. The 150 million ABL facility has been retired following conclusion of the refinancing.
- 30 million of receivables relating to the KOC order received on 1 October 2024.
- Total liquidity² of c. 393 million, as of today's date, now available to the Group to pursue acquisition focused growth.

Outlook and 2024 Outturn

- With the recent decline in the oil price and renewed falls in US natural gas pricing, sentiment has reduced in recent weeks in areas of the sector, which will likely lead to lower client activity within certain product groups throughout the remainder of the year, most notably within the short-cycle Perforating Systems product group, as

highlighted above.

- While Hunting's other product groups continue to perform well, based on this short-term market outlook, 2024 full-year Group-level EBITDA guidance is being prudently reduced to between c. 123- 126 million, a reduction of c.8% on previous guidance issued in July 2024.
- Year-end cash and bank / (borrowings) is, however, likely to increase significantly, and is now anticipated to be c. 60- 70 million. This improvement is driven by the acceleration of receivables in respect of the KOC contracts, which are currently underway within the Group's Asia Pacific operating segment.

Jim Johnson, Chief Executive of Hunting, commented:

"Hunting has delivered a 16% year-on-year increase in its year-to-date EBITDA result, as positive increases in trading were recorded across most product groups. The Group's revenue and earnings continue to pivot towards our OCTG and Subsea businesses, which reflect the wider market momentum but also Hunting's diversified portfolio of products.

"We are delighted to have commenced shipments of OCTG to KOC in the period and we look forward to building a strong relationship with the company in the coming months as new opportunities arise. Thanks to the hard work of the dedicated team, we are ahead of the delivery schedule. The 60 million of OOR contracts secured in the period has also been another milestone. We have a high level of confidence that new orders from other major energy companies will be secured in the short- to medium- term, as the advantages of the technology are captured by our clients.

"Our balance sheet remains strong, coupled with a significantly improved year-end cash projection. We are pleased to have agreed new borrowing facilities in recent days. Accordingly, Hunting now has c. 393 million of liquidity available to pursue growth opportunities in the energy and non-oil and gas sectors. Management is also continuing to review high quality acquisition candidates, with our focus being on subsea and well completions.

"Our 2024 full year outturn had been predicated on a strong international market coupled with some improvement in our US onshore businesses. Whilst the outlook for the international and offshore subsectors of the industry continues to remain firm, the slower than anticipated improvement within the US onshore has led to a deterioration in our short-term trading expectations. As a result, we are reducing EBITDA guidance; however, we still expect to be broadly within the range guided at the start of the year."

Q3 Trading Update

Hunting's trading performance during Q3 2024 was in-line with management's expectations across most product groups.

The Group's Asia Pacific operating segment has commenced shipments of OCTG, threaded with Hunting's SEAL-LOCK™ premium connection technology, to KOC, with the first tranche of revenue being recognised towards the end of the quarter, with future deliveries remaining on track.

The Subsea Technologies operating segment also continued to deliver good results throughout the quarter as orders for ExxonMobil Guyana, in respect of the Group's titanium stress joints, are progressed.

Trading within the North America operating segment was broadly in-line with expectations. The segment suffered a number of lost trading days as a result of Hurricanes Beryl and Francine; however, all facilities are completing extra shifts to meet their year-end targets.

The Hunting Titan operating segment continued to report trading headwinds as the subdued US onshore completions market persists and in Q3 2024 reported an EBITDA break-even result. The underlying US onshore market continues to be depressed and is likely to persist for some months leading to the lower trading guidance noted above despite decisive cost cutting actions implemented in Q2 2024, which has eliminated c. 6- 7 million of annualised costs.

Year-to-date EBITDA of c. 87 million reflects strengthening results from the Group's Asia Pacific and Subsea Technologies operating segments, offset by lower results from the Hunting Titan operating segment.

Group EBITDA margin of c.12% has been achieved in the year-to-date, as product mix, higher margin contracts and improved utilisation of facilities increased the profit drop-through.

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During Q3 2024, cash generation improved as management focused on receivables collections. On 30 September 2024, total cash and bank / (borrowings) was c. 4.6 million, compared to (9.7) million at 30 June 2024, an inflow of c. 14.3 million. Following collection of receivables in relation to the KOC order, total cash and bank / (borrowings) on 11 October 2024 was c. 31 million.

The Group's balance sheet remains strong, with net assets on 30 September 2024 of c. 988 million. Working capital has remained broadly unchanged since the Half Year at c. 454 million.

The 2024 interim dividend of 5.5 cents per share will be paid on Friday 25 October 2024, which will absorb c. 8.7 million. Capital expenditure for the full year is now anticipated to be c. 40 million, comprising tangible and intangible expenditure.

The Group continues to report a strong tender pipeline across most product groups. New, large tenders are being assessed by management for the Group's OCTG product group, with a positive outlook for Subsea orders, as new tenders are anticipated to be issued during 2025.

Management continues to evaluate several acquisition opportunities, with the focus mainly on subsea and well completion targets.

Outlook and 2024 Outturn

The reduced trading outlook for the remainder of the year has been driven by the macro-economic sentiment across the industry and lower oil and gas prices. As noted above, the trading expectations within the Hunting Titan operating segment (Perforating Systems product group) for the remainder of the year is likely to be impacted by this reduced sentiment, coupled with some orders across other product groups being pushed into 2025.

EBITDA guidance for the full year 2024 is now projected to be in the range of c. 123- 126 million.

Cash collections are projected to increase throughout the balance of the year, which will improve the Group's year-end cash and bank / (borrowings) position. Management estimates that the outturn will be c. 60- 70 million as proceeds are collected from KOC, in addition to other anticipated working capital improvements.

The trading outlook for Hunting Titan will likely lead to an adjustment to the carrying value of the business currently held on the Group's consolidated balance sheet, subject to agreement with the Company's external auditor. Further, strategic changes to the business' operations have been implemented to focus on returning the division to improved profitability for 2025 and beyond.

An update to 2025 guidance will be issued in the next trading statement; with the outlook supported by the Group's strong order book, robust tender pipeline and acquisition opportunities being reviewed by management.

300 million of New Committed Borrowing Facilities

In October 2024, the Group entered into 300 million of new committed borrowing facilities to finance the ongoing working capital requirements of the existing business and to support Hunting's stated organic and inorganic growth strategy. The new funding arrangements comprise a 200 million revolving credit facility ("RCF") and a 100 million term loan. These facilities will refinance and replace our existing 150 million Asset Based Lending ("ABL") facility, increasing our access to committed liquidity and extending the maturity of our bank borrowing facilities. The new facilities are provided by a four-bank syndicate, expanding the number of banks participating in our core funding arrangements. Wells Fargo and HSBC (who participated in our prior facilities and have acted as joint coordinators in these new facilities) will be joined by First Abu Dhabi Bank and Emirates NBD. The Company is pleased to welcome these new banks into our lending group. The new, upsized facilities and expanded bank group provides Hunting with committed liquidity and headroom that will enable us to pursue Hunting's stated growth ambition, as outlined in the Hunting 2030 Strategy at the Capital Markets Day in September 2023.

A conventional earnings-based covenant regime is attached to the facilities and includes a leverage test (being the ratio of total net debt³ to adjusted EBITDA⁴ not exceeding 3.0:1) and an interest cover test (being the ratio of consolidated EBITDA⁵ to consolidated net finance charges⁶ not being less than 4.0:1). The RCF has been arranged with an initial tenor of four years, expiring on 16 October 2028, with an option that allows the company to extend the

with an initial term of four years, expiring on 10 October 2029, with an option that allows the company to extend the contracted maturity date by an additional twelve-month term.

The 100 million term loan has been arranged with a three-year tenor and, pursuant to the conditions of the facility agreement, was fully drawn on signing of the facilities. After an initial twelve-month period, the term loan amortises with eight quarterly repayments of 9.375 million required (the first such payment due on 30 September 2025) and a final 25 million repayment on 30 September 2027.

On signing of the new facilities, the Group's 150 million ABL facility was repaid and cancelled, with drawings under the new term loan used in part for this purpose.

Date of Next Trading Update

The Group's next Trading Update is scheduled for Tuesday 14 January 2025.

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Notes to Editors:

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of Hunting is Ben Willey, Company Secretary.

About Hunting PLC

Hunting is a global, precision engineering group that provides precision-manufactured equipment and premium services, which add value for our customers. Established in 1874, it is a listed public company, quoted on the London Stock Exchange in the Equity Shares in Commercial Companies ("ESCC") category. The Company maintains a corporate office in Houston and is headquartered in London. As well as the United Kingdom, the Company has operations in China, India, Indonesia, Mexico, Netherlands, Norway, Saudi Arabia, Singapore, United Arab Emirates and the United States of America.

The Group reports in US dollars across five operating segments: Hunting Titan; North America; Subsea Technologies; Europe, Middle East and Africa ("EMEA") and Asia Pacific.

The Group also reports revenue and EBITDA financial metrics based on five product groups: OCTG, Perforating Systems, Subsea, Advanced Manufacturing and Other Manufacturing.

Hunting PLC's Legal Entity Identifier is 2138008S5FL78ITZRN66.

Note 1 - Total cash and bank / (borrowings) comprises cash and cash equivalents less bank debt and excludes the long-term shareholder loan of 3.9 million and IFRS 16 lease liabilities.

Note 2 - Total liquidity comprises secured committed facilities (the RCF and term loan) and unsecured uncommitted facilities, including the four facilities totalling CNY930m/ 130.5m of which CNY628.3m/ 88.2m was undrawn and available to our Chinese subsidiary as at 11 October.

Note 3 - The definition of total net debt in the new RCF means, at any time, the aggregate amount of all obligations of the Group for or in respect of Borrowings but: excluding any such obligations to any other member of the Group; including in the case of Finance Leases only, their capitalised value; and deducting the aggregate amount of freely available Cash and Cash Equivalent Investments held by any member of the Group at such time.

Note 4 - The definition of adjusted EBITDA means, in relation to a relevant period, consolidated EBITDA adjusted by: including the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as consolidated EBITDA) of a member of the Group for the Relevant Period (or attributable to a business or assets acquired during the relevant period) prior to its becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets; and excluding operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as consolidated EBITDA) attributable to any member of the Group (or to any business or assets) disposed of during the relevant period.

Note 5 - The definition of consolidated EBITDA in the new RCF means profit on ordinary activities before taxation of the Group for such period plus consolidated net finance charges and depreciation and amortisation - plus or minus exceptional items; and excluding the charge to profit represented by the expensing of stock options, in each case, on a consolidated basis and determined in accordance with IFRS but excluding the post-acquisition effect of any IFRS 3 adjustments in relation to any acquisition.

Note 6 - The definition of net finance charges means the aggregate amount of the accrued interest, commission, fees (including, without limitation, commitment fees and other borrowings-related fees), discounts, prepayment penalties or premiums and other finance payments in respect of borrowings whether paid, payable or capitalised by any member of the Group - excluding any upfront fees; excluding any such obligations owed to any other member of the Group; including the interest element of leasing and hire purchase payments in relation to any finance lease; including any accrued commission, discounts and other finance payments payable by any member of the Group under any interest rate hedging arrangement; excluding (to the extent otherwise included) interest associated with pension scheme net assets, foreign exchange gains and losses, fair value gains and losses on derivative financial instruments and fair value gains and losses on assets set aside to finance unfunded pension scheme obligations; deducting any accrued commission, fees, discounts and other finance payments owing to any member of the Group under any interest rate hedging instrument; and deducting any accrued interest owing to any member of the Group on any deposit or bank account or any dividend or similar payment due to any member of the Group on any money market investment.

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